



Transmittal Via Electronic Mail

July 16, 2021

Mr. Barry Breen
Acting Assistant Administrator
Office of Land and Emergency Management
U.S. Environmental Protection Agency
1200 Pennsylvania Ave, NW
Mail Code: 5101T
Washington, DC 20460

RE: Coal Combustion Residuals (CCR) Part B implementation; Pending applications from Salt River Project and Arizona Electric Power Cooperative

Dear Mr. Breen,

The Salt River Project Agricultural Improvement and Power District (SRP) and the Arizona Electric Power Cooperative (AEPCO) have in good faith each submitted applications for the Hazardous and Solid Waste Management System: Disposal of Coal Combustion Residuals From Electric Utilities; A Holistic Approach to Closure Part B: Alternative Linear Demonstration. Work and resources were expedited to meet the November 30, 2020, application deadline laid out by EPA, with the expectation, based on the rule's preamble, that EPA would provide a response by February 1, 2021 (60 days following the November 30, 2020, deadline to submit an application).

SRP is a community-based, not-for-profit, public power utility. SRP owns and operates the Coronado Generating Station (CGS), a 780-megawatt electric generating facility located in St. Johns, Arizona. On November 25, 2020, SRP submitted an alternative linear demonstration application for the CGS surface impoundment, more commonly called the "Evaporation Pond", which has a natural geologic clay liner as a result of being located directly on top of the Chinle Formation. SRP has 20 years of groundwater monitoring data and recent stable and radiogenic isotope analyses that confirms this natural liner is as protective as the geo-membrane liners required for surface impoundments.

AEPCO is a rural, member owned, not-for-profit electric generation and transmission (G&T) cooperative formed in 1961 to provide service to member-owned electric distribution cooperatives in Arizona and California. AEPCO owns and operates only one generation facility, Apache Generating Station (AGS), a 550-megawatt electric generating facility located in Cochise, Arizona. On November 30, 2020, AEPCO submitted a thorough alternative liner demonstration application for the AGS combustion waste disposal facility (CWDF) consisting of five CCR-regulated surface impoundments. The CWDF was constructed in the early 1990s with a composite liner system. These impoundments have been in service for over 25 years, which has included extensive groundwater monitoring that demonstrates the composite liner system and membrane is functioning properly.

We understand and appreciate the extensive review process that EPA undertakes to implement the CCR regulations, and that the recent shift in the Administration has had an impact on the agency's anticipated schedule for application processing. However, it is been over seven months since SRP and AEPCO have submitted their applications, and less than five months remain to undertake the field work necessary to complete the demonstrations by November 30, 2021. The original timeframe (February 1, 2021 – November 30, 2021) to complete these demonstrations, if applications are approved, was already an ambitious goal. However, the delay from EPA to conduct the completeness review of the applications has drastically shortened the duration applicants would have to complete their demonstrations, and each company is in the difficult position of having to proceed with the field work at risk without the benefit of a decision from EPA on whether they will even be permitted to make a demonstration.

The companies appreciate that EPA is weighing possible solutions to give Part B applicants more time to complete demonstrations as a result of its delayed determination on the applications. Unfortunately, EPA's assurance that the agency will act in the future to resolve the issue is non-binding, and there does not appear to be a mechanism by which EPA can extend the November 30, 2021, demonstration deadline without a rulemaking. In addition, the drilling rigs needed to support the environmental investigations are limited in availability and there is no guarantee that the companies will be able to procure these rigs on a new project schedule if EPA were to revise the deadline. At CGS, summer monsoons (July to mid-September) and winter conditions (November to mid-March) can significantly delay and/or prevent drilling. At AGS, summer monsoons could potentially delay and/or prevent drilling during certain weather conditions. Thus, even if EPA does extend the demonstration submittal deadline, it is uncertain whether the new deadline will accommodate a revised field and lab schedule for the demonstration.

To meet the exhaustive alternate liner demonstration requirements, both SRP and AEPCO have begun deploying resources that in total cost millions of dollars to meet the rapidly decreasing timeline set by EPA.

Each entity is proceeding with initial phases of demonstration preparation, under the assumption that completeness reviews are complete, and each company's application will be approved. However, it is understood that additional information may be required, or an appeal may be

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needed, only adding to the extreme lag of this process. Both SRP and AEPCO are in a very unforgiving positions and all they are trying to do is comply. In the end, Arizona consumers will bear the burden of this outcome of shouldering the cost to expedite this demonstration if updates are not provided soon.

We understand that EPA recently decided to fully implement Part A & Part B of the CCR Rules. Therefore, we urge EPA to expedite the review of the Part B applications and provide an update to applicants, so resources are not being expended at risk. We stand ready to be a resource to provide any additional information that may be needed by the agency and are eager to comply with the EPA regulations.

Sincerely,



Kara M. Montalvo
Director, Environmental Services
Salt River Project



Michelle R. Freeark
Executive Director, Regulatory Affairs and Corporate Services
Arizona G&T Cooperatives

cc: Carlton Waterhouse, Deputy Assistant Administrator, OLEM
Richard Huggins, Chief, Energy Recovery and Waste Disposal Branch